# 1998 Criteria Categories/Items

| | | | Point Values | |
|---|---|---|---|---|
| **1** | **Leadership** | | **130** | |
| | 1.1 | Leadership System | | 95 |
| | 1.2 | Organization Responsibility and Citizenship | | 35 |
| **2** | **Strategic Planning** | | **80** | |
| | 2.1 | Strategy Development Process | | 40 |
| | 2.2 | Organization Strategy | | 40 |
| **3** | **Customer Focus** | | **80** | |
| | 3.1 | Customer and Market Knowledge | | 40 |
| | 3.2 | Customer Satisfaction and Relationship Enhancement | | 40 |
| **4** | **Information and Analysis** | | **80** | |
| | 4.1 | Selection and Use of Information and Data | | 25 |
| | 4.2 | Selection and Use of Comparative Information and Data | 15 | |
| | 4.3 | Analysis and Review of Organization Performance | | 40 |
| **5** | **Human Resource Development and Management** | | **120** | |
| | 5.1 | Work Systems | | 45 |
| | 5.2 | Employee Education, Training, and Development | | 45 |
| | 5.3 | Employee Well-Being and Satisfaction | | 30 |
| **6** | **Process Management** | | **110** | |
| | 6.1 | Management of Product and Service Processes | | 70 |
| | 6.2 | Management of Support Processes | | 20 |
| | 6.3 | Management of Supplier and Partnering Processes | | 20 |
| **7** | **Business Results** | | **400** | |
| | 7.1 | Customer Satisfaction Results | | 110 |
| | 7.2 | Overall Financial and Performance Results | | 110 |
| | 7.3 | Human Resource Results | | 45 |
| | 7.4 | Supplier and Partner Results | | 25 |
| | 7.5 | Organization-Specific Results | | 110 |
| | **TOTAL POINTS** | | **1000** | |

## 1 Leadership *(130 points)*

The Leadership Category examines senior leaders' personal leadership and involvement in creating and sustaining values, organization directions, performance expectations, customer focus, and a leadership system that promotes performance excellence. Also examined is how the values and expectations are integrated into the organization's leadership system, including how the organization continuously learns and improves, and addresses its societal responsibilities and community involvement.

**What this means**

Leadership is the focal point within the Criteria for presenting the organization's senior leadership management style and describing how the senior leaders guide the organization in setting directions. This Category includes how the senior leaders create a leadership system based upon clear values and high performance expectations, that addresses the needs of all stakeholders. The Category includes the organization's responsibilities to the public and how the organization practices good citizenship.

## 1.1 Leadership System *(95 points)*

**Approach & Deployment**

Describe how senior leaders guide the organization in setting directions and in developing and sustaining an effective leadership system.

In your response, address the following area:

***a. Leadership system.***

How the organization's senior leaders provide effective leadership, taking into account the needs and expectations of all key stakeholders. Include:

(1) how senior leaders set organization directions and seek future opportunities for the organization;

(2) a description of the organization's leadership system and how it incorporates clear values, organization directions, high performance expectations, a strong customer focus, and continuous learning;

(3) how senior leaders communicate and reinforce values, directions, expectations, customer focus, and their commitment to learning throughout the work force; and

(4) how senior leaders review the organization's overall performance, and use the review process to reinforce organization directions and improve the leadership system.

**What this means**

This Item addresses how the organization's senior leaders set directions and build and sustain a leadership system conducive to high performance, individual development, initiative, and organizational learning. The Item asks how leadership takes into account all key stakeholders – customers, employees, suppliers, partners, congress, the public, and the community.

The Item calls for information on the major aspects of leadership – creating values and expectations, setting directions, projecting a strong customer focus, developing and maintaining an effective leadership system, and effectively communicating values, directions, expectations, and a strong customer focus. Setting directions includes creating future opportunities for the organization and its stakeholders. An effective leadership system is focused on continuously learning to improve overall performance, including the senior leaders' own leadership skills, creating work processes that support efficient and effective accomplishment of performance objectives, and enhancing customer focus. Effective communication includes ongoing demonstration that stated values, directions, and expectations are indeed the basis for the organization's key decisions and actions. Communications need to include performance objectives and measures that help provide focus as well as alignment of organization units and work processes.

This Item includes the senior leaders' role in reviewing overall organization performance. This aspect of leadership is crucial because reviews help to build consistency behind goals and allocation of resources. A major aim is to create organizations that are flexible and responsive — changing easily to adapt to new needs and opportunities. Through their roles in developing strategy and reviewing organization performance, senior leaders develop leadership and create an organization capable of adapting to changing opportunities and requirements.

*Continued on next page*

## 1.1 Leadership System (cont.)

**Tips**

- Show examples of senior leaders involvement, especially in initiating and nurturing customer and supplier relationships.
- Organization performance reviews are addressed in Item 4.3 Responses to 1.1a(4) should focus on the senior leaders' roles in the review of overall organization performance, not on the details of the review.
- Explain how senior leaders clearly define the mission of the organization.
- Describe how senior leaders develop, articulate and reinforce a clear and concise set of values for the organization.
- Show evidence as to the extent to which employees know what the values are, not whether they can recite them word for word, but whether they understand the essence of the value.
- Describe the amount of time senior leaders spend interacting with employees, particularly at the areas of the organization where services are delivered to customers.
- Show examples of the frequency senior leaders review customer and employee satisfaction, and performance results data.
- Show how regular review of performance maintains focus on output and progress toward meeting key objectives. This does not mean to "micro-manage."
- Describe senior leaders involvement in recognizing employees for their accomplishment.
- Describe a systematic approach that evaluates the senior leadership system and their involvement.
- Show how the unit's structure, guidance, and work processes support its mission, customer, and performance objectives.
- Describe how the leadership system encourages flexibility and empowerment.
- Show how bureaucratic barriers that detract from customer focus are eliminated.

---

**Examples**

- The CO and the QMB continuously monitor and reinforce organizational performance against organizational goals by reviewing department's performance against those goals, by using feedback from process teams and from customers, by observing the delivery of products and services "at the deckplate" level and by personally being involved in the direct delivery of products and services; i.e., answering customer service phone calls, inspecting vessels and conducting boardings. - 1.1a(3) & (4).
- The organization's leadership system is evaluated through a climate survey administered every six months to both active duty, auxilarlists, civilians, and reserves. An example of the questions asked included: "I trust the unit leadership to make the appropriate decisions," and "I think the unit leadership would help me if I had a personal problem." Another survey evaluating the CO's leadership traits was also administered to all-hands every six months. Both surveys provided numerical scores for baselines and trends. Reasons for low scores and suggested solutions were evaluated. - 1.1a(4).

---

*Continued on next page*

**Examples (cont.)**

- Team spokespeople brief the QMB on a rotating basis at the weekly QMB meeting and team members are empowered to provide the briefs as a means of improving leadership experience. The briefs focus on the team's measures of effectiveness which align with the unit's key indicators. Positive and negative trends are discussed and recommendations are made by the leader/member to the QMB members. - 1.1a(4).
- CO holds separate biannual meetings with the officers, CPO, E6s, E5s & E4s, and the nonrates to get a "reality check" on how the organization is doing, discuss unit specific and Coast Guard issues, and review/reinforce his values of Pride-Professionalism-Progress. - 1.1a(3) &(4).
- Our approaches for maintaining an effective leadership system and achieving our high expectations include:
  - Extensive, ongoing management training (at all levels).
  - Comprehensive reviews of customer and operational performance each week.
  - Comprehensive reviews of performance to plans in quarterly DASH planning review meetings.
  - Assignment of responsibility and accountability to all managers for performance in their areas of responsibility, with personal performance reflected in performance reviews and reinforced through our compensation and bonus systems.
  - Direct involvement of all levels of management in quality/operational/customer improvement teams. - 1.1a(2), (3) & (4).
- Senior executives also review feedback reports from the quality award process and from external consultants commissioned to assess the organization against the Malcolm Baldrige Criteria going back to 1992. - 1.1a(4).
- Based on his involvement in assessing the unit through the use of the Commandant's Quality Award Criteria, and closing the gaps that were identified through the assessment, the CO took responsibility for writing the unit's application for the CQA rather than delegating that responsibility. - 1.1a(4).
- The Steering Committee developed the company's client-by-client strategy, deployed through the Project Feedback System in 1987 (7.0), the reorganization into project teams in 1988 (4.0), and the annual assessment of the management system using the Baldrige criteria beginning in 1990. - 1.1a(1), (2) & (4).

## 1.2 Organization Responsibility and Citizenship *(35 points)*

**Approach & Deployment**

Describe how the organization addresses its responsibilities to the public and how the organization practices good citizenship.

In your response, address the following Areas:

***a. Societal Responsibilities.***

How the organization addresses the current and potential impacts on society of its products, services, facilities, and operations. Include:

(1) key practices, measures, and targets for regulatory, legal, and ethical requirements and for risks associated with managing organization operations; and

(2) how the organization anticipates public concerns, assesses potential impacts on society, and addresses these issues in a proactive manner.

***b. Community Involvement.***

How the organization and its employees support and strengthen their key communities

---

**What this means**

This Item addresses how the organization integrates its values and expectations regarding its public responsibilities and citizenship into its performance management practices.

**Area 1.2a** calls for information on how the organization addresses two basic aspects of public responsibility in planning facilities, products, services, and operations: (1) making legal and ethical requirements and risk factors an integral part of performance management and improvement; and (2) sensitivity to issues of societal concern, whether or not these issues are currently embodied in law.

Fulfilling public responsibilities means not only meeting all local, state, and federal laws and regulatory requirements, but also treating these and related requirements as areas for improvement "beyond mere compliance." This means the organization should maintain constant awareness of potential public impacts related to its products, services, facilities, and operations.

**Area 1.2b** calls for information on how the organization practices good citizenship in its key communities. The issues in this Area relate to the organization as a contributing member of different types of communities and as a positive influence upon other organizations. Opportunities for involvement and leadership include efforts by the organization and its employees to strengthen community services, education, health care, the environment, and practices of governmental, trade, and business associations. The level of involvement and leadership is dependent upon organization size and resources. Activities include community service by employees, that is encouraged, supported, and recognized by the organization.

---

*Continued on next page*

**Tips**

- Explain how public responsibility issues including environment, health, safety, and emergency preparedness are integrated by senior leadership.
- Public responsibilities in areas critical to the organization also should be addressed in Strategy Development Process (Item 2.1) and in Process Management (Category 6). Society impact results (outcomes) of the organization’s mission and operations should be reported in Category 7, particularly financial/overall results (Item 7.2). Key intermediate results, such as results of regulatory/legal compliance, environmental improvements or use of “green” technology, should be reported as Organization-Specific Results (Item 7.5).
- Areas of community involvement and leadership appropriate for inclusion in 1.2b may include efforts by the organization to strengthen local community services, the environment, education and practices of trade or business associations.
- Health and safety of employees are not addressed in Item 1.2; they are addressed in Item 5.3
- Show how major “corporate” citizenship responsibilities are addressed in strategic planning and in the appropriate process management system.
- Describe how the unit’s awareness of potential impact of its products, services, and operations prevent possible problems.
- Explain how the unit voluntarily meets public regulatory responsibilities.
- Describe what procedures/policies are in effect to receive, review, and respond to public concerns and litigation.
- The extent of leadership and involvement depends upon the organization’s size and resources. Smaller organizations may consider taking part in cooperative activities with other organizations/commands.
- Describe assistance provided to strengthen community services, education, the environment, and practices of professional associations.

**Examples**

- Out Reach is one of the unit’s five critical mission areas. Community concerns are addressed by two key processes: Public Guidance/Education and Community Service. Under the Public Guidance Process, the CO is the Chair of the Advisory Council whose membership consists of federal, state, and local agency representatives responsible for environmental emergencies in the organizations area of operation. Through contingency planning, which relies heavily on risk assessment, the environmental, political, and economic needs and concerns of the Council members and their respective communities are addressed. For example, local agency/community concerns for fire fighting resulted in the formation of a multi-agency fire fighting subcommittee led by the Coast Guard. This led to a support agreement including joint agency training and response. - 1.2a(1) &(2).
- The MSO’s marine incident exercises have provided a forum for assessing community impact and preparing our community for the risks we all face. The hazardous material release exercise and hurricane table top exercises were beneficial and heightened community awareness. - 1.2b.

*Continued on next page*

**Examples (cont.)**

- The WAMS review team worked closely with the U.S. Fish and Wildlife Service and the municipal government to determine important habitat areas within each of the waterways. Partnerships were also established with the U.S. Army Corps of Engineers and major fishing industry commercial enterprises to analyze the specific types and estimated quantities of hazardous materials which transit the waterways each year. This information was combined with waterway-specific information including traffic density, type of seabed, and available channel width to produce a waterway-criticality determination used in establishing and positioning tolerances and establishing a hierarchy for ATON discrepancy response. More stringent response factors were assigned for environmentally sensitive areas. - 1.2a(1) & (2).
- Based on feedback from the community, the unit purchased suction pneumatic sanders to prevent paint dust from entering the atmosphere and water while conducting hull maintenance. - 1.2a(1).
- The unit ensures that the relevant needs of the community are integrated into their involvement efforts by chairing numerous community councils. The teams established with industry and community entities provide a direct forum for input and discussion of policy and regulation changes. New regulations and policies affecting the public and industry are sent out in draft form for comment and discussion. Marine Safety Information Bulletins provide regulatory changes and significant proposals to the community. - 1.2a(2).
- The Commanding Officer personally meets with local, county, state, and congressional officials on a regular basis, and is a member of the local Chamber of Commerce and Rotary. By periodically working with these officials, groups, and organizations, the Commanding Officer is able to establish a trusting relationship in which he can share what activities and programs Tracen is involved with or potentially involved with. Through these conversations, he's able to discern their concerns, wants, and needs and articulate what we can or cannot do. He then brings these learnings back to the Training Center for all to learn and understand from. - 1.2a(2)
- Employees are permitted time off the job to participate in individual civic activities. These include "Reading Buddies" program and food drives which provide opportunities to share the Coast Guard story and act as role models. - 1.2b.
- Our leadership and involvement in our local communities is led by our Community Service Team, which is a cross functional team of officers and enlisted personnel. The team's primary objective is to increase involvement in communities where our people live. - 1.2b.

*Continued on next page*

## 1.2 Organization Responsibility and Citizenship (cont.)

**Examples (cont.)**

- Senior leaders have:
  - spoken at State Council for Quality conferences and workshops, and university classes.
  - written articles in quality magazines and a book on marketing research.
  - led the formation of the Benchmarking Committee for CASRO.
  - developed a seminar on the Baldrige process for the University of Georgia.
  - chaired the Master of Government Administration program at the University of Wisconsin. - 1.2b

| **Command supports employees with time off to help the following local community activities:** | |
|---|---|
| • Local chapters of Professional Organizations | • Combined Federal Campaign |
| • Collecting for "Toys for Tots | • Boys Club & Girls Club |
| • Habitat for Humanity | • Partnership in Education 2000 (2 Elementary Schools & 1 High School) |
| • Boys Scouts & Girls Scouts | • Coaching kids city league teams (soccer, basketball & baseball) |
| • Special Olympics | • Earth Day Activities |

- 1.2b

- The Training Center provides classroom aides to Roseland Elementary School in Santa Rosa on a weekly basis. Staff personnel are given time off during working hours to help teachers in the classroom with reading, math, etc. Last year a number of volunteers helped build a school clinic at Roseland. A similar program is in effect with the Two Rock Union Elementary School which is adjacent to the Training Center; the school is made up of about 70% children from the Training Center. A formal liaison officer is appointed to coordinate closely with these schools. Volunteers have worked on numerous facility and computer projects at the schools. Early this year, the Training Center was awarded a community service award for its support of programs, including the Roseland Elementary School, by the communities of Southwest Santa Rosa. -1.2b

## 2 Strategic Planning *(80 points)*

The Strategic Planning Category examines how the organization sets strategic directions, and how it determines key action plans. Also examined is how the plans are translated into an effective performance management system.

**What this means**

This Category addresses strategic and performance planning and deployment of plans. This includes effective development, translation, and deployment of overall customer and operational performance requirements derived from strategy. The Category stresses that customer-driven quality and operational performance excellence are key strategic business issues that need to be an integral part of overall organization planning. Specifically:

- Customer-driven quality is a strategic view of quality. The focus is on the drivers of customer satisfaction, customer retention, new markets, and market share — key factors in competitiveness, profitability, and performance excellence;

- Operational performance improvement contributes to short-term and longer-term productivity growth and cost/price competitiveness. Building operational capability — including speed, responsiveness, and flexibility — represents an investment in strengthening competitive fitness.

The Criteria emphasize that improvement and learning must be integral parts of the daily activity of all work units. The special role of Strategic Planning is to guide daily work, aligning it with the organization's strategic directions, thereby ensuring that improvement reinforces organization priorities.

The Strategic Planning Category examines how organizations:

- Understand the key customer and operational requirements as input to setting strategic directions. This will help ensure that ongoing process improvements will be aligned with the organization's strategic directions.

- Optimize the use of resources and ensure bridging between short-term and longer-term requirements that may entail capital expenditures, training, etc.

- Ensure that deployment will be effective — that there are mechanisms to transmit requirements and achieve alignment on three basic levels: (1) organization/executive level; (2) the key process level; and (3) the work-unit/individual-job level.

The Strategic Planning Category requirements are intended to encourage strategic thinking and acting — to develop a basis for sustained high level performance against strategic goals and objectives. These requirements do not imply formalized plans, planning systems, departments, or specific planning cycles. Nor does the Strategic Planning Category imply that all improvements could or should be planned in advance. Rather, the Category recognizes that an effective improvement system combines improvements of many types and extents and requires clear strategic guidance, particularly when improvement alternatives compete for scarce resources. In most cases, priority setting depends heavily upon a cost rationale. However, there might also be critical requirements such as public responsibilities which are not driven by cost considerations alone.

## 2.1 Strategy Development Process *(40 points)*

**Approach & Deployment**

Describe how the organization sets strategic directions to better define and strengthen its overall performance and/or competitive position. Describe also how the strategy development process leads to an action plan for deploying and aligning key plan and performance requirements.

In your response, address the following Areas:

***a. Strategy Development.***

How the organization develops strategy, taking into account the five factors listed below. Provide a brief description or diagram of the strategy development process and an outline of forecasts, models, etc., used to help select strategy.

(1) target customers; market requirements, including price; customer, market and public expectations; and new opportunities;

(2) the competitive and mission-related environment;

(3) risks: financial, market, technological, and societal;

(4) organization capabilities – human resource, technology, research and development, and business processes – to seek new opportunities and/or to prepare for key new requirements; and

(5) supplier and/or partner capabilities.

***b. Strategy Deployment.***

How strategy is translated into action plans, including a clear basis for communicating and aligning critical requirements, and tracking performance relative to plans.

**What this means**

This Item addresses how the organization develops its view of the future, sets strategic directions, and translates these directions into a clear and actionable basis for communicating, deploying, and aligning critical requirements. Appropriate for inclusion in this Item is a description of how the organization develops strategic and performance plans to meet the provisions of the Government Performance and Results Act.

The focus of the Item is on performance excellence and competitive leadership. Such leadership usually depends upon attainment of mission-related outcomes, goals, and objectives, as well as on operational effectiveness. This requires the creation of a view of the future that takes into account not only the current mission environment, markets or segments to compete in but also how to adjust to changing requirements and how to compete. "How to compete" presents many options and requires good understanding of the organization's and competitors' strengths and weaknesses. Operationalizing the strategy in the form of action plans is intended to highlight the importance of clear and measurable performance objectives. These objectives serve to guide the design and management of key processes. The objectives may also serve to align communications and compensation and recognition systems with performance objectives. Although no specific time horizon is included, the thrust of the Item is sustained competitive and performance excellence leadership.

*Continued on next page*

## 2.1 Strategy Development Process (cont.)

**What this means (cont.)**

**Area 2.1a** calls for information on all the key influences, challenges, and requirements that might affect the organization's future opportunities and directions — taking as long a view as possible. The main purpose of the Area is to provide a thorough and realistic context for the development of a customer-, market-, and mission-focused strategy to guide ongoing decision making, resource allocation, and organization wide management. An increasingly important part of strategic planning is projecting the future mission and/or competitive environment. The purposes of such projections are to detect and reduce threats, to shorten reaction time, and to identify opportunities. Companies might use a variety of modeling, scenario, or other techniques and judgments to project the competitive environment.

Pricing is also increasingly important to competitive success and customer satisfaction. Often this means that companies' strategies need to address cost levels dictated by anticipated price levels, rather than planning to set prices to cover their costs.

**Area 2.1b** calls for information on how strategy is translated into a clear and actionable basis for operationalizing and deploying critical requirements. An extremely important part of this translation involves the selection of key measures and/or indicators that can be used to track performance.

**Tips**

- The planning process should be systematic and appropriate for the unit's size and complexity.
- Show how customer requirements are identified and to what extent this information is used in developing current and future plans for the organization.
- Explain how planning is done at all levels in the organization, starting from the top.
- Explain how process owners participate in development of organizational goals and develop supporting goals at key process levels.
- Describe how the planning process is efficient. Plan must be flexible and responsive to changing requirements and influences.
- Describe how performance against the plan is reviewed on a regular basis, and plans are changed as needed.
- Describe how plans are used to make decisions, control actions, and set priorities in the organization
- Integrate the customers, suppliers, and employees into the planning process. Your evaluation might include:
    - inputs from employees and work units.
    - how well strategies and requirements are communicated and understood.
    - how well you align key measures with objectives.

*Continued on next page*

**Examples**

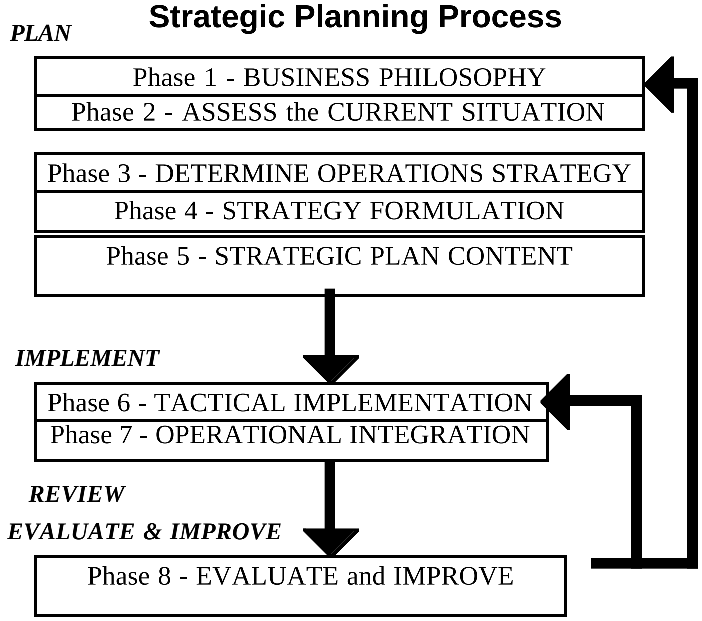
- The unit uses a three-stage process to develop strategies, goals, and business plans. The three stages are:

  1. A strategic planning session held annually and focused on the next three to five years
  2. A Business plan drawn up annually and focused on the next year
  3. Quarterly business-plan updates throughout the year.

  Included in these plans is our product/service road map which serves as the overall guide to detailed development plans for each product/service. The plans are communicated across the organization and a process is in place through forum meetings for questions and discussions which allow us to monitor progress systematically. - 2.1a.

- The organization has a systematic process for strategic planning that is linked to mission, performance improvement and key process measurements. The plan is updated semiannually with all-hands participation in continuous improvement sessions. The business plan translates the strategic goals into work and project items for turning strategies into actions. - 2.1a & b.

**Strategic Planning Process**




- We adopted a strategic planning model used by Dana Commercial Credit Corporation, a 1996 Baldrige Award winner. This process integrates customer, operational, people, supplier, and quality plans into seven business and financial plans, one for each decentralized product group. - 2.1a & b.

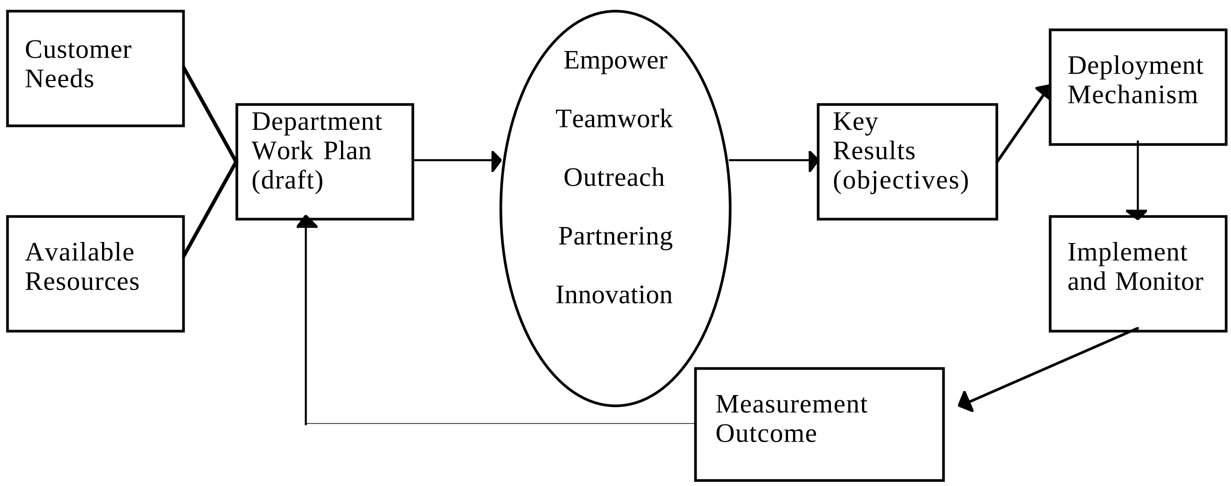
- The QMB sets the strategic directions and identifies the critical success factors for the unit through the planning process. Each department head is then required to translate these directions into requirements and business drivers for their department. The plans cascade to all work units and suppliers. Alignment of these plans with work unit activities is ensured through cross-functional planning sessions in which participants work out inconsistencies or incompatibilities early in the planning process. Details of capital and human resource requirements are documented along with corresponding financial cost/benefits and customer satisfaction. - 2.1b.

*Continued on next page*

## 2.1 Strategy Development Process (cont.)

**Examples (cont.)**

- Business drivers are translated into actions after Phase 5 approval by the Division Operating Committee. Each Product Group Operating Committee will develop, during Phase 6, a supporting tactical implementation plan which details what, how, who and when various aspects of the plan will be implemented. The strategic plans are aligned with our work units by having all product groups and division staff functions involved in the review of the strategic plans. Projections for our key performance indicators, competitive projections and relative benchmarks are based upon the SWOT analysis conducted in Phases 2 and 3. They represent the Product Group Operating Committees' analysis of future customer expectations and competitor capabilities based on upon past performance, and anticipated future requirements. - 2.1a & b.




**Strategic Planning Process**

| **Objective** | **Strategic Approaches** |
|---|---|
| SAR Prevention-thru-people | • Increased use of media;<br>• Boater education through formal courses and increased informal contact with Coast Guard, particularly in high population centers<br>• Match patrol schedules to customer activity |
| Focus Compliance on higher risks | • Focus CME/boarding efforts on trailerable boats |
| Reduce Operating Costs | • Increase planning for station releveling<br>• Initiate Auxop option at stations<br>• Begin consideration of a Joint Response Facility with area SAR response agencies<br>• Plan for Activity-type reorganization<br>• Reduce Admin duplication at co-located commands |
| Reduce Breakwall Collisions | • Increase media coverage<br>• Experiment with technological solutions<br>• Focus Patrol Efforts |

## 2.2 Organization Strategy *(40 points)*

**Approach & Deployment**

Summarize the organization's strategy and action plans and how they are deployed. Include key performance requirements and measures, and outline overall human resource plans. Estimate how the organization's performance projects into the future relative to competitors and/or key benchmarks.

In your response, address the following Areas:

***a. Strategy and Action plans.***

Provide a summary of the action plans derived from the organization's strategy and how these plans are deployed. Include performance requirements, key performance measures and/or indicators, and how plans, resources, and measures are deployed to ensure alignment of goals and actions. Note any important differences between short- and longer-term plans.

***b. Human Resource Plans.***

Provide a brief summary of key human resource plans derived from overall strategy. Include the following elements:

(1) changes in work design and/or organization to improve knowledge creation/sharing, flexibility, innovation, and rapid response;

(2) employee development, education, and training;

(3) changes in compensation, recognition, and benefits;

(4) recruitment, including critical skill categories and expected or planned changes in demographics of the work force; and

(5) how the organization evaluates and improves its human resource planning and practices and alignment of the plans and practices with the strategic business directions.

***c. Performance Projection.***

Provide a two-to-six year projection of key performance measures and/or indicators from the organization's action plans. Include appropriate comparisons with competitors and/or key benchmarks. Briefly explain the comparisons, including any estimates or assumptions made in projecting competitor performance and/or benchmark data.

**What this means**

This Item addresses the organization's action plans and how they are deployed. The Item also calls for a projection of the organization's performance. The main thrusts of the Item is effective operationalizing of the organization's directions, incorporating measures that permit clear communication, and tracking progress and performance. The organization strategy may include how the organization deploys strategic and performance plans to meet the major provisions of the Government Performance and Results Act.

*Continued on next page*

**What this means (cont.)**

**Area 2.2a** calls for information on the organization's action plans and how these plans are deployed. This includes spelling out key performance requirements and measures, as well as aligning of work unit, supplier, and/or partner plans. Of central importance in this Area is how alignment and consistency are achieved — such as through key processes and measurements. These are also intended to provide a basis for prioritizing ongoing improvement activities — part of the daily tasks of all work units.

**Area 2.2b** addresses key human resource plans, those supporting the overall strategy and action plans. Examples of human resource plan elements that might be part of a comprehensive plan are:

- redesign of work organizations and/or jobs to increase employee responsibility and decision making;
- initiatives to promote labor-management cooperation, such as partnerships with unions;
- creation or modification of compensation and recognition systems based on building customer satisfaction;
- creation or redesign of employee surveys to better assess the factors in the work climate that contribute to or inhibit high performance;
- prioritization of employee problems based upon potential impact on productivity;
- development of hiring criteria and/or standards;
- creation of opportunities for employees to learn and use skills that go beyond current job assignments through redesign of processes or organizations;
- education and training initiatives, including those that involve developmental assignments;
- formation of partnerships with educational institutions to develop employees or to help ensure the future supply of well-prepared employees;
- establishment of partnerships with other companies and/or networks to share training and/or spread job opportunities;
- introduction of distance learning or other technology-based learning approaches; and
- integration of customer and employee surveys.

**Area 2.2c** calls for a two-to-six year projection of key measures and/or indicators of the organization's performance. It also calls for a comparison of projected performance versus competitors and/or similar organizations inside or outside government, and key benchmarks. This projection/comparison is intended to encourage organizations to improve their ability to understand and track dynamic, competitive performance factors. Through this tracking process, organizations should be better prepared to take into account their rates of improvement relative to competitors and/or similar organizations inside or outside government as a diagnostic management tool.

*Continued on next page*

## 2.2 Organization Strategy (cont.)

**Tips**

- Describe the key business drivers or success factors critical to future success.
- Write annual and longer term goals for each major performance measure.
- Explain how HR actions directly support the unit's goals and plans. This Item is the point of direct linkage between HR planning and the organization's strategic directions.
- Describe how the different categories of employees (full-time military and civilian, reservists and auxiliarists, and contractors) are accounted for in the human resource plans.
- Use publications that are already in existence that prescribe Coast Guard training: Cutter Training and Qualification Manual, Small Arms Manual, Area SOPs, Marine Safety Manuals, etc.
- Base projections on estimates of projected operational performance.

**Examples**

- Our Business Plan has measures of effectiveness which are aligned with the high level goals. Each associated process measurement and objective has an associated time table for accomplishment. Our objectives set our strategy deployment for one to five years. -2.2a&b.

**A Sample of Action Plan Deployment**

| *Process Measurement* | *Support of Operations or Strategy* | *Frequency of Review* | *Who* | *Scoring Key Competitors* |
|---|---|---|---|---|
| ***Customer Satisfaction (Customer Scorecard)*** | | | | |
| Repeat lease volume | High customer satisfaction | Month/Day | PGOC | |
| Customer Survey | High customer satisfaction | Month | PGOC | ELA |
| ***Quality Processes (Customer Scorecard)*** | | | | |
| Innovative lease products | High customer satisfaction | Month | Dept/PGOC | |
| Closing transactions on time | High customer satisfaction | Quarter/Day | Prod. Group | |
| Credit turnaround time | High cust. sat./ Efficient process | Week/Day | Dept/PGOC | ELA |
| Approval ratio | Exceed customer expectations | Month/Day | Dept/PGOC | ELA |
| Preferred suppliers | Supplier management | Month | Div. Treas. | |
| ***Knowledgeable People (Human Resource Scorecard)*** | | | | |
| People trained | Empowered culture | Month | HR/DOC | |
| . . . | . . . | . . . | . . . | . . . |

*Continued on next page*

## 2.2 Organization Strategy (cont.)

**Examples (cont.)**

- The Command follows a holistic unit training matrix, developed using a team approach including the Training Board and a representative cross section of personnel within the Command. The training matrix tracks (1) the required primary qualifications for each employee and team to meet mission needs as stated in the business plan, (2) the secondary qualifications the member has chosen to pursue, and (3) "optional" and innovative training opportunities unique to the unit's operating area. The matrix provides an immediate snapshot of the qualification status for each employee Quality of Match and the qualification status of each team- thus the ability of that team to perform its missions. Based on the Quality of Match rating, training requirements are developed and folded into the HR plan. - 2.2b.
- All teams and departments (which account for all employees) develop their own goals using the planning matrix to align with the company's goals. Since each employee's individual goals are developed to meet his or her team or department goals, every employee's activities contribute to the corporate goals and key business drivers. Final team and department goals and action plans are submitted in September using a planning matrix to assure alignment with company objectives. - 2.2b.
- The organization's long-term plan calls for partnerships with a supplier base trained in the tools of Total Quality, delivering competitively-priced, defect-free material on time. This will allow us to deliver quality product within the customers' delivery window at more competitive prices. - 2.2c.

| Valuing Our People | | | |
|---|---|---|---|
| **Key Accomplishment** | **Desired State** | **Strategy** | **Goal** |
| Have a Human Resource Development Program | Tracen has "arrival to departure" professional and personal development plans for each of our permanent party personnel. The plans consist of a flexible but comprehensive menu of customized development options that meet member and organizational needs. | Create an Active, coordinated, and comprehensive HRD program that focuses on optimizing human resources. | 1. Design a coherent HRD program that aligns the needs of Tracen with those of its people.<br>2. Implement our HRD Program. |
| Have a flexible staff assignment program. | We work in concert with our HRD Program. We make systematic assignment of personnel resources that meet staffing needs of prioritized missions and critical processes. | Develop an active assignment program that works in concert with our HRD program. This program will match personnel resources to critical assignments and meet both mission and staff development needs. | 1. Align our jobs with mission priorities.<br>2. Assignment process will match the right people with the right job.<br>3. Setup partnerships with everyone involved in the assignment process. |
| Provide exceptional support services | Customers know all support services. Support services use quality management concepts and tools for consistent and integrated delivery. | Use quality concepts to be sure of fully coordinated and integrated support services. | 1. Design a coordinated support services delivery system.<br>2. Match our resources to our support services needs.<br>3. Have a customer education and marketing program. |

**Figure 2.23 Human Resource Strategic Plan - 2.2b**

# 3 Customer Focus *(80 points)*

The Customer Focus Category examines how the organization determines requirements and expectations of customers and markets. Also examined is how the organization enhances relationships with customers and determines their satisfaction.

**What this means**

Customer and Market Focus is the focal point within the Criteria for examining how the organization seeks to understand the voices of customers and of the marketplace. The Category stresses relationship enhancement as an important part of an overall listening and learning strategy. Vital information for understanding the voices of customers and of the marketplace must come from customer satisfaction results. In many cases, such results and trends provide the most meaningful information, not only on customers' views but also on their marketplace behaviors — repeat business and positive referrals.

## 3.1 Customer and Market Knowledge *(40 points)*

**Approach & Deployment**

Describe how the organization determines longer-term requirements, expectations, and preferences of target and/or potential customers and markets, to understand and anticipate needs and to develop business opportunities.

In your response, address the following Area:

***a. Customer and Market Knowledge.***

Provide a brief outline of how the organization learns from its current and potential customers and markets to support the organization's overall mission, business needs, and opportunities. Include:

(1) how customer groups and/or market segments are determined or selected, including the consideration of customers of competitors and other potential customers and markets. Describe how the approaches to listening and learning vary for different customer groups;

(2) how key product and service features and their relative importance/value to customers are determined and/or projected. Describe how key information from current customers and markets, including customer retention and complaint information, is used in this determination; and

(3) how the organization's approach to listening to and learning from customers and markets is evaluated, improved, and kept current with changing business needs.

**What this means**

This Item examines how the organization determines emerging customer requirements and expectations. In a rapidly changing public service and competitive environment, many factors may affect customer preference and customer loyalty, making it necessary to listen and learn on a continuous basis. To be effective, such listening and learning need to have a close connection with the organization's overall mission and business strategy. For example, if the organization customizes its products and services, the listening and learning strategy needs to be backed by a capable information system — one that rapidly accumulates information about customers and makes this information available where needed throughout the organization or the overall value chain.

A wide variety of listening and learning strategies should be used. Selection depends upon the type and size of business and other factors.

Examples of approaches that might be part of listening and learning strategies are:

- relationship building, including close integration with customers;
- rapid innovation and field trials of products and services to better link research and development (R&D) and design to the market and/or mission requirements;
- close tracking of technological, competitive, societal, environmental, economic, and demographic factors that may bear upon customer requirements, expectations, preferences, or alternatives;

*Continued on next page*

**What this means (cont.)**

- focus groups with demanding or leading-edge customers;
- training of employees, particularly front-line employees, in customer listening;
- use of critical incidents such as complaints to understand key service attributes from the point of view of customers and front-line employees;
- interviewing lost customers to determine the factors they use in their purchase decisions;
- won/lost analysis relative to competitors and/or similar organizations inside or outside the government;
- post-transaction follow-up; and
- analysis of major factors affecting key customers.

Other information sought in this Item includes how organizations recognize segments, customers of competitors or similar organizations inside or outside government, and/or other potential customers. Accordingly, the Item addresses how the organization tailors its listening and learning to different groups and segments. For example, a relationship strategy might be possible with some groups, but not with others. Other information sought relates to sensitivity to specific product and service requirements and its relative importance or value to customer groups. This determination should be supported by use of data and information, such as complaints and gains and losses of customers, from current customers and markets.

**Tips**

- Use a systematic process for gathering customer requirements.
- Explain how customers' requirements are determined using a variety of methods.
- Describe how customer segments are determined.
- State the frequency of data collection for each customer segment.
- Discuss what technological factors may bear upon customer requirements, expectations, or preferences in the future.
- Explain how front-line employees are trained to listen to customers (customer concerns; interview disgruntled customers; post-interaction follow-up, etc.).
- Show evidence that a systematic customer complaint process is in place.
- Describe the process used to evaluate the importance of various future customer requirements.

*Continued on next page*

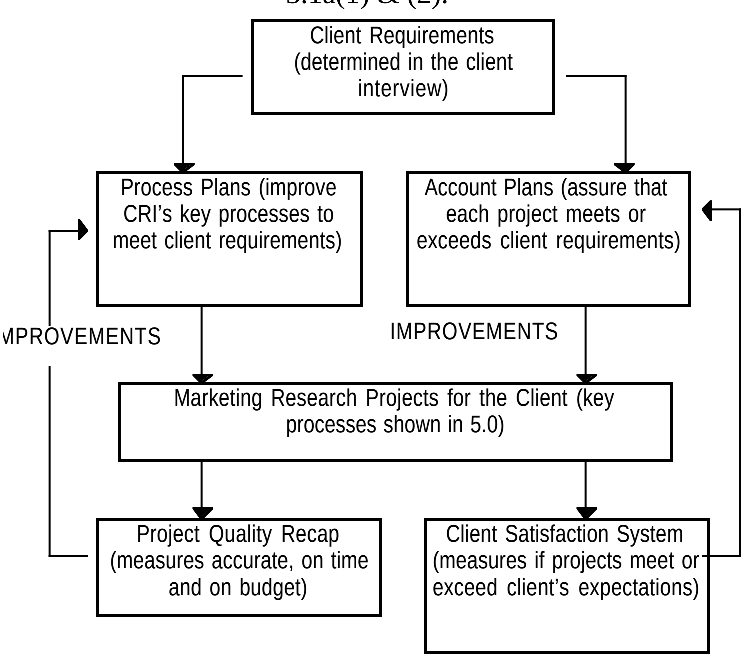
### 3.1 Customer and Market Knowledge (cont.)

**Examples**

- The Cutter's Business Plan established customer focus and involvement as an integral function of successful mission accomplishment. External customer focus was accomplished through town hall meetings, radio interview, written questionnaires, and local user rides. In conjunction with WAMS reviews, the Cutter distributed 350 waterway questionnaires to local fishermen and commercial organizations soliciting input on ATON effectiveness, placement, and proposed ATON changes. Radio interviews with vessels in transit, polling over 100 in one year, and embarking members of the crew aboard fishing vessels facilitated a better understanding of customer needs in the waterways. - 3.1a(1), (2) &(3).
- The organization established a Customer Service team that is responsible for determining current and near-term customer requirements. First the customer group was segmented based on the products the unit provides. These segments were determined to be: the boater (commercial & recreational), commercial fisherman, commercial bulk carriers and marine event organizers. We used an independent agency to survey customers to determine their requirements which are as follows:

  1. Accurate ATON.
  2. Timely/Accurate weather information.
  3. Safety.
  4. Fast and reliable SAR.

  The validity of the requirements are addressed at the organization's annual customer conference where we present the findings from the surveys. At this conference we gather performance data through customer feedback in each of the requirement areas. This feedback is used to improve our processes in each of the requirement areas. - 3.1a(1), (2) &(3).
- The unit gathers information on near term emergency customer requirements by obtaining direct customer telephone contact at the "type desk" by a person that is familiar with their requirements. Customers communicate their maintenance needs through CASREPs, CSMPs and SHIPALT requests. Long term needs are identified through regular visits, cutter engineering reports and material assessments. The A-Team process was developed to validate maintenance needs. - 3.1a(1) & (2).




- Because of its small client base, we're able to determine specific expectations for each individual client, not just for groups of clients or market segments. This is done through the client interview process. - 3.1a(1).
- The Project Quality Recap and Client Satisfaction System, together with informal feedback received from clients during a project, enable our account team to clearly understand the client's requirements and how well we're meeting them. - 3.1a(2) & (3).

## 3.1 Customer and Market Knowledge (cont.)

**Examples (cont.)**

- IIP's main customers are the commercial vessels involved in trans-Atlantic voyages which pass in the vicinity of the Grand Banks of Newfoundland. The customer requirements are:
    1. Twice daily broadcast of Ice Bulletins and Fax Chart, with the latest forecasted position of Limits of Known Ice.
    2. Prompt Safety Broadcasts of icebergs and stationary radar targets reported outside Limits of Know Ice.

**Methods Used to Obtain External Customer Requirements & Build/Maintain Relations**

| Rec. Boaters | Comm. Fisherman | Comm. Bulk Carriers | Marine Event Organizers |
|---|---|---|---|
| • Marine Community Day<br>• Safe Boating Coalition<br>• CMEs<br>• Boardings<br>• Boatshows, speeches, safe boating courses<br>• Invitations and follow-up letters to attendees<br>• Post-SAR/LE survey cards | • Marine Community Day<br>• Safe Boating Coalition<br>• Courtesy Dockside exams<br>• At-sea boardings<br>• Talks to professional organizations<br>• Invitations and follow-up letters to attendees<br>• CG4100F process | • Marine Community Day<br>• Ice Conference<br>• Familiarization rides by staff members<br>• WAM interviews<br>• Professional organization memberships<br>• Attendance at Professional organization meetings<br>• WAM surveys | • Marine Community Day<br>• Safe Boating Coalition<br>• Phone interviews<br>• PATCOM visits<br>• Meetings for complex events<br>• Pre-season letters to event organizers<br>• Permit application replies<br>• Post-event debriefs with organizers |

**Customer Requirements based on Alignment results (H=High, M=Medium, L=Low Need)**

| Requirement | Rec. Boaters | Comm. Fisherman | Comm. Bulk Carriers | Marine Event Organizers |
|---|---|---|---|---|
| Accurate ATON | | | | |
| floating | H | H | H | M |
| fixed | M | M | M | |
| Timely/Accurate | | | | |
| weather info | H | H | L | L |
| safety broadcast | L | L | H | H |
| Safety | | | | |
| education | H | L | M | M |
| inspection | H | M | L | L |
| enforcement | M | L | H | H |
| SAR (fast and reliable) | H | M | L | L |

*Continued on next page*

**Examples (cont.)**

### Key Stakeholders

| Stakeholder | Stakeholder Requirement(s) |
|---|---|
| Tactical Commander | • Mission ready<br>• Mission accomplished IAW applicable U.S. law, regulations, code and treaties, and CG policies and regulations<br>• Professional, courtesy service<br>• Fast response<br>• Knowledgeable/skilled crew<br>• Thorough boardings |
| Operational Commander | • Mission ready<br>• Fast response |
| Administrative Commander | • Fast Response<br>• Accurate Reports |
| Department of Transportation | • Mission ready<br>• Fast response<br>• Efficient financial spending |
| Taxpayer/General Public | • Judicial use of tax dollars<br>• Professional, courteous service<br>• Minimal impediments to business<br>• Minimal time on board<br>• Knowledgeable/skilled crew<br>• Fast response |

### Key Customers

| Mission | Customer | Customer Requirement(s) |
|---|---|---|
| Boating Safety | • Commercial & Recreational Boater | • Courteous Service<br>• Knowledgeable/skilled boarding officers |
| SAR<br>• Prevention | • Commercial & Recreational Boater | • Courteous Service<br>• Knowledgeable/skilled boarding officers |
| • Search | • Family members of overdue Boater<br>• Boater calling for assistance<br>• Other agencies requesting assistance | • Caring/Professional Service<br>• Fast Response<br>• Effective, through search |
| • Rescue | • Boater(s) in distress | • Fast response<br>• Boater(s)/Property Saved |

*Continued on next page*

**Examples (cont.)**

### Key Customers

| Mission | Customer | Customer Requirement(s) |
|---|---|---|
| MLE (Regulatory Enforcement) | • NMFS<br>• Customs<br>• DEA<br>• INS<br>• FBI<br>• Other Federal/State agencies requesting assistance | • IAW U.S. laws, regulations, codes, and treaties<br>• Knowledgeable/skilled boarding officers<br>• Thorough enforcement<br>• Mission ready |
| MLE (Seizure) | • Department of Justice | • Accurate documentation of seizure/arrest<br>• Chain of evidence safeguarded<br>• Prisoner's rights awarded<br>• IAW U.S. laws, regulations, codes |
| AMIO | • INS<br>• Department of State<br>• National Security Agency | • Knowledgeable/skilled boarding officers<br>• IAW U.S. Immigration & Customs Laws<br>• Thorough enforcement<br>• Mission ready |
| Defense Operations | • Department of Defense<br>• U.S. Navy<br>• National Security Agency | • Fast response<br>• Mission ready<br>• Knowledgeable/skilled crew |
| Nations Building | • Department of State<br>• National Security Agency | • Mission ready<br>• Professional Image |
| ATON | • Commercial Fishing Vessels<br>• Commercial Bulk Carriers<br>• Ferry System Vessels<br>• Tow/Push Boats<br>• Recreational Boaters<br>• Pilot Association<br>• Commercial Cruise Vessels<br>• Charted Boats<br>• Marine Event Organizers | • Safe, navigable waterways<br>• Fast Response |
| Ice Breaking | • Department of Defense<br>• Commercial Corporations<br>• Commercial Bulk Carriers<br>• Ferry System Vessels<br>• Tow/Push Boats<br>• Pilot Association<br>• Port Authorities<br>• Science Foundation | • Safe, navigable waterways<br>• Timely Response |
| Scientific Research | • Scientists<br>• NOAA<br>• Science Foundation | • Mission ready |

## 3.2 Customer Satisfaction and Relationship Enhancement *(40 points)*

**Approach & Deployment**

Describe how the organization determines and enhances the satisfaction of its customers to strengthen relationships, to improve current offerings, and to support customer and market-related planning.

In your response, address the following Areas:

***a. Accessibility and Complaint Management.***

How the organization provides access and information to enable customers to seek assistance, to conduct business, and to voice complaints. Include:

(1) how the organization determines customer contact requirements, deploys the requirements to all employees who are involved in meeting the requirements, and evaluates and improves customer contact performance; and

(2) a description of the organization's complaint management process. In this description, explain how the organization ensures that complaints are resolved effectively and promptly, and that complaints received by all organization units are aggregated and analyzed for use throughout the organization.

***b. Customer Satisfaction Determination.***

How the organization determines customer satisfaction. Include:

(1) how the organization follows up with customers on products, services, and recent transactions to receive prompt and actionable feedback;

(2) a brief description of other customer satisfaction determination processes and measurements used. Describe how the measurements capture actionable information that reflects customers' future business with the organization and/or positive referral. Indicate significant differences, if any, in methods and/or measurement scales for different customer groups or segments; and

(3) how the organization obtains objective and reliable information on customer satisfaction relative to its competitors and/or similar organizations inside or outside government.

---

**What this means**

This Item addresses how the organization effectively manages its responses to and follow-up with customers. Relationship enhancement provides a potentially important means for organizations to understand and manage customer expectations. Also, front-line employees may provide vital information to build partnerships and other longer-term relationships with customers.

This Item also addresses how the organization determines customer satisfaction and satisfaction relative to competitors and/or similar organizations inside or outside government. Satisfaction relative to competitors and/or similar organizations inside or outside government and the factors that lead to preference are of critical importance to managing in a dynamic and/or competitive environment.

Overall, Item 3.2 emphasizes the importance of getting actionable information such as complaints and feedback from customer contacts. To be actionable, the information gathered should meet two conditions: (1) responses are tied directly to key business processes, so that what needs to be improved is clear; and (2) responses are translated into cost/revenue or cost/effectiveness implications to support the setting of improvement priorities.

---

*Continued on next page*

**What this means (cont.)**

**Area 3.2a** calls for information on how the organization provides easy access for customers seeking information or assistance and/or to comment and complain. The Area calls for information on how customer contact requirements are determined and deployed. Such deployment needs to take account all key points in the response chain — all units or individuals in the organization that make effective responses possible.

**Area 3.2a** also addresses the complaint management process. The principal issue is prompt and effective resolution of complaints, including recovery of customer confidence. However, the Area also addresses how the organization learns from complaints and ensures that production/delivery process employees receive information needed to eliminate the causes of complaints. Effective elimination of the causes of complaints involves aggregation of complaint information from all sources for evaluation and use throughout the organization.

The complaint management process might include analysis and priority setting for improvement projects based upon potential cost impact of complaints, taking into account customer retention related to resolution effectiveness.

**Area 3.2b** addresses how the organization determines customer satisfaction. Three types of requirements are considered:

- how the organization follows up with customers regarding products, services, and recent transactions to determine satisfaction and to resolve problems.
- how the organization gathers information on customer satisfaction, including any important differences in approaches for different customer groups or segments. This highlights the importance of the measurement scale in determining those factors that best reflect customers' behaviors — repurchase, new business, positive response to products or services.
- how satisfaction relative to competitors and/or similar organizations inside or outside government is determined. Such information might be derived from organization-based comparative studies or studies made by independent organizations. The purpose of this comparison is to develop information that can be used for improving performance relative to competitors or mission objectives and to better understand the factors that drive markets and mission accomplishments.

**Tips**

- Describe how customer-contact personnel are trained to be responsive to customer needs and empowered to make customer-related decisions.
- Describe the training for customer-contact.
- Describe how comparison of customers' satisfaction feedback results are made with other organizations.
- Show how soft data is used. (Soft data is considered opinions taken through interviews and surveys.) Hard data is a measurement of customer behavior.
- Show evidence of a proactive approach to get customers to comment and complain.

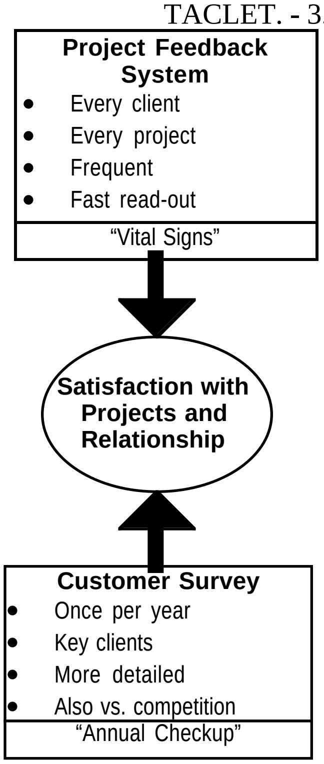
*Continued on next page*

## 3.2 Customer Satisfaction and Relationship Enhancement (cont.)

**Examples**

- The organization has a systematic complaint management process to ensure that all formal and informal customer complaints are resolved effectively and promptly with satisfactory feedback to the customer. Complaints are received through several channels, including calls to our Customer Support Centers through 800 numbers, calls to senior leadership and calls to individual field employees. As each complaint is received by any of these means, it is entered into our complaint tracking databases and then transferred immediately to the appropriate person for resolution. Some complaints are resolved immediately by the person receiving the complaint. If the problem cannot be resolved immediately, the employee is responsible for following through with the resolution and is empowered to involve anyone who may be necessary to satisfy the customer. - 3.2a(2).

- TACLET provides information to District units through the use of the Maritime Law Enforcement Bulletin (MLEB). TACLET has also developed a network of LEPOs representing each unit we train, that provides a direct link between TACLET and the customer. Customers have continuous access to TACLET through a toll free 1-800 MLE hotline pager which provides 24-hour contact with TACLET personnel for real time operational or training information. In addition to the toll-free number, customers have been provided with the home telephone and pager numbers of each TACLET member. This provides the customer with immediate and direct 24-hour access to TACLET. - 3.2a.




- The organization determines customer satisfaction for each individual customer through its Customer Satisfaction system. The data and information aggregated from this system is used to produce overall customer satisfaction results that are used at the organization's senior level for assessment and planning. The Customer Satisfaction system has two methods of measuring satisfaction: the Project Feedback System, which surveys customer satisfaction at the end of every project and is the most important continuous measure of satisfaction; and the Customer Survey, which is an annual interview by QMB members of major customers and is the most important evaluation of the health of the overall customer relationship. The Project Feedback System measures how well the organization meets and exceeds client expectations for every project. The Customer Survey is used to measure satisfaction relative to competitors. Customers are asked whether the organization is better, as good as, or worse than other project firms on 10 specific dimensions that are important to the customers. - 3.2b(2).

- During a project, any formal or informal complaints and feedback go to the appropriate account team and account manager. The account team develops an action plan to address the complaint or concern, communicates it to the client and makes the improvement. In-process measures of performance on a client's service standards are included in account manager reports, weekly team meetings, monthly team reports, quarterly account reviews and monthly client visits by Steering Committee members. - 3.2b(1) & (2).

# 4 Information and Analysis *(80 points)*

The Information and Analysis Category examines the management and effectiveness of the use of data and information to support key organization processes and the organization's performance management system.

**What this means**

Information and Analysis is the main point within the Criteria for all key information to effectively manage the organization and to drive improvement of organization performance and competitiveness. In simplest terms, Category 4 is the "brain center" for the alignment of an organization's operations with its strategic directions. However, since information, information technology, and analysis might themselves be primary sources of competitive advantage and productivity growth, the Category also includes such strategic considerations.

## 4.1 Selection and Use of Information and Data *(25 points)*

**Approach & Deployment**

Describe the organization's selection, management, and use of information and data needed to support key organization processes and improve organization performance.

In your response, address the following Area:

***a. Selection and Use of Information and Data.***

Describe:

(1) the main types of information and data, financial and non-financial, and how each type relates to key organization processes and goals. Briefly explain how the information and data are integrated into measurements that can be used to track and improve the organization's performance.

(2) how the information and data are deployed to users to ensure alignment with key organization goals;

(3) how key user requirements, including rapid access and reliability, are met; and

(4) how information and data, their deployment, and effectiveness of use are evaluated, improved, and kept current with changing business or mission needs.

**What this means**

This Item addresses the organization's selection, use, and management of information and data to support overall business goals, with strong emphasis on process management and performance improvement. Overall, the Item represents a key foundation for a performance-oriented organization that effectively utilizes non-financial and financial information and data.

The Item examines the main types of data, financial and non-financial, and how each type relates to key organization processes. In addition, the Item examines a central requirement in an effective performance management system — the integration of information and data into measurements. Also examined is the deployment of information and data to users, with emphasis on alignment of data and information with key goals. The effective management of the information/data system itself — rapid access and reliability — is examined in connection with user requirements. Finally, the Item examines how overall requirements, including effectiveness of use, deployment, and ability to keep current with changing business or mission needs are met.

Although the main focus of this Item is on information and data for the effective management of performance, information, data, and information technology often have major strategic significance as well. For example, information technology could be used to accumulate and disseminate unique knowledge about customers and markets, which would enable the organization to quickly "customize" products and services. Also, information technology and the information and data made available through such technology could be of special advantage in networks or alliances with other organizations. Responses to this Item should take into account such strategic use of information and data. Accordingly, "users" should then be interpreted as business or program-delivery partners as well as organization units.

*Continued on next page*

## 4.1 Selection and Use of Information and Data (cont.)

**Tips**

- Develop a systematic and objective data gathering system.
- Show and describe the data selection processes and how data collected is used in the organization.
- Show evidence that a balanced approach to data collection is used. This includes: financial performance, operational results, product/service quality, customer satisfaction, supplier performance, and employee satisfaction, etc.
- Use existing Coast Guard policies, procedures and regulations to determine what types of data to collect (e.g., SORTS, ATONIS, WAMS, STRs Scores, Discrepancy Response Factors, CLAMS, CIMS, etc.).
- Characteristics of good metrics:
  - fewer are better
  - don't just measure activity levels
  - linked to the factors for success
  - a mix of past, present and future
  - based around the needs of customers and key stakeholders
  - flexible to change as your requirements/strategy changes
  - have targets based on research rather than arbitrary numbers
  - start at the top and flow down to all levels in the organization.
- Describe how managers and supervisors value the usability and accuracy of the performance reports.
- Data should be useful in the management of processes by measuring items such as:
  - cycle time
  - waste reduction
  - cost of defects
  - cost per unit output
  - and manpower costs.

**Examples**

- The organization used a "balanced scorecard" approach by selecting a few key measures in each of the following categories: - 4.1a(1) & (2).

| CATEGORIES | MEASURES |
|---|---|
| Customer Satisfaction | • Customer Complaints<br>• Customer Survey |
| Financial Results | • Operating Costs |
| Product/Service Quality | • Customer Survey |
| Employee Satisfaction | • Employee Survey<br>• Accident Incidence<br>• Reenlistment rate |
| Operational Measures | • Cycle Time Reduction<br>• Rework Hours |

*Continued on next page*

## 4.1 Selection and Use of Information and Data (cont.)

**Examples (cont.)**

| KEY INDICATORS | MEASURES |
|---|---|
| Fatalities per 100,000 crewmen | The number of safety discrepancies found by the CG and the number of discrepancies found by commercial operators themselves |
| Vessel accidents per 1,000 passenger vessels | The number of safety discrepancies found by the CG and the number of discrepancies found by commercial operators themselves |
| Fatalities per 100,000 workers (towing and fishing) | The number of safety discrepancies found by the CG and the number of discrepancies found by commercial operators themselves |
| Total interventions per 100,000 port calls | Boardings of high-risk vessels versus boardings of low-risk vessels and the cycle time it takes to conduct these boardings |
| Gallons spilled per million gallons shipped | Environmental violations and incidents |
| Number of spills per billion tons shipped | Environmental violations and incidents |
| Gallons removed per 100 gals spilled | Environmental violations and incidents |
| Rate of successful security intrusions, by test | Training scores |
| Pounds of marine debris per mile shoreline | Environmental violations and incidents |

- Reliability, rapid access and rapid update of data is achieved by the extensive use of computerized systems. Every employee has a personal computer which is linked to the network and e-mail systems. Data is updated immediately, daily, weekly or monthly as appropriate. The evaluation and improvement of selection, analysis and integration of information, including the alignment with key business drivers is the responsibility of the QMB. - 4.1a(2), (3) & (4)

| Mission | Measurement | |
|---|---|---|
| SAR | • RFO Scores<br>• Lives Saved/Lives Lost<br>• Time to Launch from SAR Call<br>• Delays in response (non-wx related)<br>• # boardings (Recreational/Commercial)<br>• % pass rate on boardings | • # CMEs<br>• % pass rate on CMEs<br>• # BUIs<br>• # SAR Course graduates<br>• % crew trained |
| AtoN | • % time signal is generated<br>• # discrepancies | • # repeat discrepancies<br>• Time from discrepancy notice to correction |

*Continued on next page*

| Mission | Measurement |
|---|---|
| Personnel Documentation | • % PMIS documents correctly completed 1st time<br>• Avg. # days for processing travel claims<br>• # pay discrepancies |
| Law Enforcement | • # boardings<br>• # boardings which resulted in seizures<br>• # violations<br>• # repeat boardings to verify violations corrected<br>• # pounds of contraband seized<br>• # days on patrol<br>• % 4100s w/errors |

## Balanced Scorecard

| | Key Success Factors | | | | | |
|---|---|---|---|---|---|---|
| Metric | Image | Cost | Fast Response | Equipment Readiness | Crew Readiness | Employee Satisfaction |
| **Operational** | | | | | | |
| • SORTs Index | X | | X | X | X | |
| **Financial** | | | | | | |
| • % Spare part inventory | | X | X | X | | |
| • Balanced Reconciliation Report | | X | | | | |
| • Subsistence Index | | X | | | | X |
| **Internal** | | | | | | |
| • % PMS Completion | | | X | X | | |
| • Billet Force Index | | | X | | X | |
| • Personnel Training Index | X | | X | X | X | X |
| • Training Team Index | X | | X | X | X | X |
| • Employee Satisfaction Index | | | | | | X |
| **Customer** | | | | | | |
| • Customer Satisfaction Index | X | | | | | |

## 4.2 Selection and Use of Comparative Information and Data *(15 points)*

**Approach & Deployment**

Describe the organization's selection, management, and/or use of comparative information and data to improve the organization's overall performance and competitive position.

In your response, address the following Area:

***a. Selection and Use of Comparative Information and Data.***

Describe:

(1) how needs and priorities for comparative information and data are determined;

(2) the organization's criteria for seeking sources of appropriate comparative information and data — from within and outside of the organization's agency, industry and/or markets;

(3) how comparative information and data are used to set stretch targets and/or to encourage performance breakthroughs; and

(4) how comparative information and data, their deployment, and effectiveness of use are evaluated, improved, and kept current with changing business needs.

---

**What this means**

This Item addresses external drivers of improvement — data and information related to competitive position and/or best practices. Such data usually have both operational and strategic value.

The Item calls for information on how competitive comparisons and benchmarking information are selected and used to help drive improvement of overall organization performance. The Item addresses the key aspects of effective selection and use of competitive comparisons and/or benchmarking information and data; determination of needs and priorities; criteria for seeking appropriate information from within and outside the organization's agency, industry and/or markets; and use of information and data to set stretch targets and to promote major improvements in areas most critical to competitive and/or organizational strategy.

The Item also calls for information on how the organization evaluates and improves its processes for selecting and using competitive and/or benchmark information to improve planning, to drive improvement of performance and/or competitive position, and to keep current with changing business needs.

The major premises underlying this Item are: (1) organizations facing tough competition and increasing public demands need to "know where they stand" relative to competitors and/or similar organizations inside or outside government, and to best practices; (2) comparative and benchmarking information often provide impetus for significant (breakthrough) improvement and might alert organizations to competitive threats and new practices; and (3) organizations need to understand their own processes and the processes of others, before they compare performance levels. Benchmarking information may also support business analysis and decisions relating to core competencies, alliances, and outsourcing.

---

*Continued on next page*

## 4.2 Selection and Use of Comparative Information and Data (cont.)

**Tips**

- Describe a systematic process used to identify the needs and types of competitor data that are collected.
- Describe how your data management systems are compared with other organizations that have similar systems.
- Describe how you rate your products, services, processes, and performance against other organizations so you can gauge and assess your performance.
- Show how your unit uses benchmarking. (Benchmarking is used to define a process in which you plan, study, analyze, and adapt a best-in-class process to improve your mission capability.)
- Show a systematic approach for selecting comparisons and benchmarking data.
- Link comparison and benchmarking to the planning process.
- Show organizations selected as benchmarking partners are in fact world class for the particular functions.
- Describe the objectivity and reliability of sources of data on competitors and benchmark organizations.
- Explain what training was done for key employees to teach them how to interpret and use competitive comparisons and benchmarking studies.
- Describe how you continually update competitor data.
- Communicate results of competitive studies throughout the organization.

**Examples**

- The organization uses the benchmarking services of Coopers and Lybrand to develop statistics on six key financial processes and to compare their management of these processes to that of seven other accounting organizations. - 4.2a(1) & (3).
- The organization has established a "Benchmarking Partnership" with the Hackett Group which allows them to continually compare their process to the best in class. - 4.2a(1) & (3).
- Airsta compares its on-time safe delivery rate with airlift squadrons, UPS, and Federal Express. The air station uses this data to set stretch goals and encourage world class performance. - 4.2a(1) & (3).
- The base exchange compares sales data with other bases and the local WALMART store. They use this data to provide new services and better value to patrons. These improvements are aimed at increasing sales and exchange usage, resulting in increased revenues. - 4.2a (1) & (3).
- During it's strategic planning process, an MWR branch determined its consolidated club revenues were below CG levels. The team did a comparative study that resulted in dramatic marketing and billing improvements. As a result, the club systematically links comparative data to its strategic planning process. The external scan includes searching for best practices in other military and civilian clubs nationwide. The club sets goals and objectives based on best-in-class performance. - 4.2a(1), (2) &(3).

## 4.3 Analysis and Review of Organization Performance *(40 points)*

**Approach & Deployment**

Describe how the organization analyzes and reviews overall performance to assess progress relative to plans and to identify key areas for improvement.

In your response, address the following Areas:

***a. Analysis of Data.***

How performance data from all parts of the organization are integrated and analyzed to assess overall organization performance in key areas. Describe the principal financial and non-financial measures integrated and analyzed to determine:

(1) customer-related performance;

(2) operational performance, including product and service performance;

(3) competitive performance; and

(4) financial and/or market-related performance.

***b. Review of Organization Performance.***

How organization performance and capabilities are reviewed to assess progress relative to goals, plans, and changing business and mission needs. Describe how review findings are translated into improvement priorities and deployed throughout the organization and, as appropriate, to the organization's suppliers and/or business or delivery partners.

**What this means**

This Item addresses organization-level analysis and performance — the principal basis for guiding an organization's process management toward key mission and business results. Despite the importance of individual facts and data, they do not usually provide a sound basis for actions or priorities. Action depends upon understanding cause/effect connections among processes and between processes and mission and business results. Process actions may have many resource implications; results may have many cost and revenue implications as well. Given that resources for improvement are limited, and cause/effect connections are often unclear, there is a critical need to provide a sound analytical basis for decisions.

A close connection between analysis and performance review helps to ensure that analysis is kept relevant to decision making. This Item is the central analysis point in an integrated information and data system. This system is built around financial and non-financial information and data.

**Area 4.3a** examines how information and data from all parts of the organization are aggregated and analyzed to assess overall organization performance. The Area covers four key aspects of performance — customer-related, operational, competitive, and financial/market.

*Continued on next page*

**What this means (cont.)**

Analyses that organizations perform to gain understanding of performance vary widely. Selection depends upon many factors, including business type, size, and competitive position. Examples include:

- how the organization's product and service quality improvement correlates with key customer indicators such as customer satisfaction, customer retention, and market share;
- cost/revenue and cost/effectiveness implications of customer-related problems and problem resolution effectiveness;
- interpretation of market share changes, when appropriate, in terms of customer gains and losses and changes in customer satisfaction;
- trends in improvement in key operational performance indicators such as productivity, cycle time, waste reduction, new product introduction, and defect levels;
- financial benefits from improved employee safety, absenteeism, and turnover;
- benefits and costs associated with education and training;
- how the organization's ability to identify and meet employee requirements correlates with employee retention, motivation, and productivity;
- cost/revenue and cost/effectiveness implications of employee-related problems and problem resolution effectiveness;
- trends in individual measures of productivity such as manpower productivity;
- working capital productivity relative to competitors and/or similar organizations inside or outside government;
- individual or aggregate measures of productivity relative to competitors and/or similar organizations inside or outside government;
- performance trends relative to competitors on key quality attributes;
- cost trends relative to competitors and/or similar organizations inside or outside government;
- relationships between product/service quality and operational performance indicators and overall organization financial performance trends as reflected in indicators such as operating costs, revenues, asset utilization, and value added per employee;
- allocation of resources among alternative improvement projects based on cost/revenue and cost/effectiveness implications and improvement potential;
- net earnings derived from quality/operational/human resource performance improvements;
- comparisons among organization units showing how quality and operational performance improvement affect financial performance;
- trends in aggregate measures such as total factor productivity; and
- trends in economic and/or market indicators of value.

**Area 4.3b** examines how the organization reviews performance and capabilities and uses the review findings to improve performance and capabilities relative to goals and plans. Such reviews also need to take into account changing business and mission needs. An important part of this review is the translation of review findings into an action plan, sufficiently specific so that deployment throughout the organization and to suppliers/partners is possible.

*Continued on next page*

## 4.3 Analysis and Review of Organization Performance

**Tips**

- Analyze performance results to determine progress toward meeting goals.
- Turn data into information using analysis and use the information to set priorities and make decisions.
- Show evidence that performance data are analyzed and used to develop goals and strategies for accomplishing mission requirements and improving customer satisfaction.
- Identify correlations between customer satisfaction measures and financial performance.
- Identify correlations between measures of supplier performance, product/service, quality, and other performance measures.
- Plan meetings at all levels to analyze performance data.
- Actually use data/facts to make business decisions.
- Explain how data analysis system is continually improved.

**Examples**

- Analysis of aircraft patrol activity was used to modify patrol tasking, leading to full weekly AOR coverage and achieving a 15% reduction in available flight hours. - 4.3a(2).
- Analysis of workload data resulted in the division of the AOR into six waterways. By working all Aids in one waterway at a time, the unit was more effective in meeting mission goals. - 4.3a(2).
- The unit used casualty and MSIS date in making operational and financial decisions. - 4.3a(3) & (4).
- Analysis of critical success factor of work force staffing levels and operational tempo was used as a catalyst for changing assignment policies and changes in personnel management. - 4.3a(2).
- The QMB reviews trends in the following key areas: efficiency ratings, product quality, reliability and employee well-being. This helps the organization to develop plans regarding training safety programs, teams for work process improvements and future expansion and capital asset needs. This information is also used to evaluate workload capacity. - 4.3a(1), (2), (3) & (4).
- Customer, market and improvement data are related to financial performance by our business unit managers during the quarterly planning process. These managers have the responsibility to direct improvement resources to the areas where they can have the greatest total impact on customer satisfaction and financial performance. Working with their management teams, and the corporate finance staff, they consider all the analysis mentioned above to determine what impact improvement efforts have had on financial performance. - 4.3b.